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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/821,610
Filing Date: April 09, 2004
Appellant(s): LOZANO, CARLOS ANDRES

Kerry P. Sisselman
Reg. No. 37,237
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed February 12, 2009 appealing from the Office action mailed November 17, 2008.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is deficient. 37 CFR 41.37(c)(1)(v) requires the summary of claimed subject matter to include: (1) a concise explanation of the subject matter defined in each of the independent claims involved in the appeal, referring to the specification by page and line number, and to the drawing, if any, by reference characters and (2) for each independent claim involved in the appeal and for each dependent claim argued separately, every means plus function and step plus function as permitted by 35 U.S.C. 112, sixth paragraph, must be identified and the structure, material, or acts described in the specification as corresponding to each claimed function must be set forth with reference to the specification by page and line number, and to the drawing, if any, by reference

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characters. The brief is deficient because Appellant cites pages and line numbers for claims 2 and 15 that do not support the limitation being referenced. Specifically, Appellant cites support for steps “a” and “d” in claim 2 on page 4, lines 2-7 and 12 and page 6, line 7 of the original disclosure. However, after reviewing these cited passages in the original disclosure for support of step “a”, Examiner could not find any relevant support for step “a” of claim 2. The cited passages discuss electronic card authorizations being introduced in the 1970’s and electronic dial up terminals shortening approval process to 1-2 minutes. It is unclear how these passages are related to “in a system including a device for performing electronic transactions” and “an electronic transaction reflecting.” The same argument holds true for claim 15, steps “a” and “d”. Appellant further cites page 8, lines 10-15 of the original disclosure for the support of step “a” in claim 15. Examiner could not find any relevant support for step “a” of claim 15 on page 8, lines 10-15. The cited passage discusses how the financial card disclosed in the invention would allow the consumer to take advantage of the benefits of credit and debit cards. It is unclear how these passages are related to “in a system including a device for performing electronic transactions.” Also, Appellant cites page 1, lines 3-6, page 6, lines 11-18 and page 11, lines 7-11 for support of step “d” of claim 15. As before, the cited passages do not lend support to the limitation “an electronic transaction reflecting.”

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant’s statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

2003/0041025

Bonalle

4-2003

The Bank Credit Card Business by American Bankers Association, 2nd Edition, 1996, pages 1-236 (Reference U).

Orchard Bank- Credit Cards
<http://web.archive.org/web/20010409085314/orchardbank.com/cards/obbanksecfaq.htm> (Reference V).

PSECU- Capitol Card
<http://web.archive.org/web/20010303165444/www.psecu.com/products/loans/visa.htm> (Reference W).

Eileen Ambrose (2000, August 20). 401(k) too nice to pinch :[FINAL Edition]. The Sun, p. 1D. Retrieved August 28, 2007, from The Sun, Baltimore database. (Document ID: 59895776) (Reference X).

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 112

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

2. Claims 2-15 and 17-21 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter

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which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Appellant added the limitations (a) in a system including a device for performing electronics transactions..., and (d) ...an electronic transaction reflecting... in claim 2. Examiner could not find any words like device, reflecting or electronic transaction or even a system including... in the original disclosure. Appellant attempts to show support for the newly amended claim limitations in paragraphs 14 and 27 as shown below, however Examiner does not see any relevance to the current invention and paragraphs 14 and 27 as cited (see arguments in previous section of the Office Action). Further, Examiner could not find any words like device or electronic transaction cited in paragraphs 14 and 27 with reference to establishing a stored credit or having a first amount debited from the stored credit.

[0014] Electronic card authorizations were introduced in the 1970s, allowing retailers to get approval for transactions 24 hours a day. And by the late 1970s, magnetic strips on the back of cards, along with electronic dial up terminals shortened the transaction approval process to only 1-2 minutes. Now card authorizations can be almost instantaneous, allowing even greater convenience for both the retailer and the customer.

[0027] Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

3. The previously mentioned terms and limitations constitute new matter. Appellant is advised to point out in the original disclosure where the claimed subject matter appears otherwise the new subject matter should be removed from the claims.

Appellant is advised to review section **706.03(o) [R-3] New Matter** of the MPEP.

35 U.S.C. 132. Notice of rejection; reexamination.

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the Appellant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the Appellant persists in his claim for a patent, with or without amendment, the application shall be reexamined. **No amendment shall introduce new matter into the disclosure of the invention.**

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 2-15 and 17-21 are rejected under 35 U.S.C. 101 based on Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876). The process steps in claims (2-15 and 17-21) are not tied to another statutory class nor do they execute a transformation. Thus, they are non-statutory. As argued above, Examiner could not find any words like device, computer, processor, electronic transaction or apparatus in the original disclosure for performing any of the method steps recited in claims 2-5 and 17-21. Further, simply reciting a device for performing electronic transactions is not adequate, because the claim has to recite a specific device, i.e. a computer or processor or machine.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 2-4, 6, 9, 10 and 13-15, and 17-22 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (Hereinafter ABA) (see PTO-892, Ref. U) in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 (see PTO-892, Ref. G) and further in view of 401(k) too nice to pinch by Eileen Ambrose (see PTO-892, Ref. X). Hereinafter Ambrose.

8. As per claim 2, ABA teaches a method of managing a credit, comprising the steps of:

(a) in a system including a device for performing electronic transactions, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer; (see pages 183-185);

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees;

(c) obtaining a financial card, for providing access by the consumer to the stored credit (see pages 65-72);

(d) causing a first amount to be debited from the stored credit as a result of an electronic transaction reflecting a financial transaction using the financial card, resulting in a remaining credit (see pages 75-76 and Exhibit 6.9, items 2 and 3); and

(e) after step (d), paying, by the consumer, of at least one of interest and late fees on the first amount, in accordance with the parameters set in step (b). (see pages 76, 78 and Exhibit 6.9, items 14 and 15).

ABA does not explicitly teach (b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees and wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer.

Bonalle teaches (b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees (see paragraph 11).

Ambrose teaches wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer (see Ref. X).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose to allow a consumer to set interest rates because it attracts new consumers into becoming card members as taught by Bonalle (see paragraph 3) and credit a payment of interest to an account to form a new available balance as taught by Ambrose (see Ref. X).

9. As per claim 3, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches the step (f) after step (d) and before step (e), sending a statement to the consumer for at least one of the first amount, interest or a late fee, in accordance with the parameters set in step (b) (see page 76).

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10. As per claim 4, ABA teaches the method of claim 3 as described above. ABA further teaches wherein, the parameters set in step (b) specify billing the consumer for at least one of interest and a late fee only if the first amount is not paid in full prior to a deadline set by the parameters (see pages 52, 76-77 and Exhibit 6.9, item 6).

11. As per claim 6, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b) permit the consumer to set an interest rate charged on at least the first amount.

Bonalle teaches wherein, the parameters set in step (b) permit the consumer to set the interest rate charged on at least the first amount (see paragraph 11).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose to allow a consumer to set interest rates because it attracts new consumers into becoming card members as taught by Bonalle (see paragraph 3).

12. As per claim 9, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches wherein the first amount is debited from the stored credit in step (d) as the result of a purchase made using the financial card in a retail establishment (see page 76 and Exhibit 6.9, items 3, 11, 12 and 16).

13. As per claim 10, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches wherein the paying in step (e) further includes repaying at least a portion of the first amount, and wherein the at least a portion of the first amount is additionally added to the remaining credit to form the new stored credit (see page 76).

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14. As per claim 13, ABA teaches the method of claim 3 as described above. ABA further teaches (g) debiting a second amount from the remaining credit, using the financial card (see page 76, Exhibit 6.9).

15. As per claim 14, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches (h) debiting a finance charge from the stored credit if the parameters set in (b) are not met (see page 78).

16. Claim 15 recites similar limitations to claim 2 and thus rejected using the same art and rationale in the rejection of claim 2 as set forth above.

17. Claim 17 recites similar limitations to claim 3 and thus rejected using the same art and rationale in the rejection of claim 3 as set forth above.

18. Claim 18 recites similar limitations to claim 4 and thus rejected using the same art and rationale in the rejection of claim 4 as set forth above.

19. As per claim 19, ABA, Bonalle and Ambrose teach the method of claim 15 as described above. ABA further teaches (h) debiting a finance charge from the stored credit if the parameters set in (b) are not met (see page 78).

20. Claim 20 recites similar limitations to claim 6 and thus rejected using the same art and rationale in the rejection of claim 6 as set forth above.

21. Claim 21 recites similar limitations to claim 10 and thus rejected using the same art and rationale in the rejection of claim 10 as set forth above.

22. As per claim 22, ABA teaches the financial institution managing savings, comprising:

a record of a credit stored by a consumer at the financial institution (see page 59);

a debit card affiliated with the financial institution, use of which provides the consumer with access to said stored credit (see page 65-72); and

a billing system for managing said stored credit according to said parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card, said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; and (see Exhibit 6.9)

the financial institution transmitting said statement to the consumer (see page 81).

23. Claims 5, 11 and 12 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (see PTO-892, Ref. U) [Hereinafter ABA] in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 (see PTO-892, Ref. G) in view of 401(k) too nice to pinch by Eileen Ambrose [Hereinafter Ambrose] (see PTO-892, Ref. X) and further in view of Orchard Credit Cards (see PTO-892, Ref. V) [Hereinafter Orchard Bank].

24. As per claim 5, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b)

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permit the consumer to set the maximum amount the stored credit can be debited by the first amount and subsequent amounts.

Orchard Bank teaches wherein, the parameters set in step (b) permit the consumer to set the maximum amount the stored credit can be debited by the first amount and subsequent amounts (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to set maximum credit limits that can be debited because it prevents a consumer from spending more money than what is currently on deposit in a linked savings account.

25. As per claim 11, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer.

Orchard Bank teaches wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to link a savings account to a credit card because it prevents a consumer from spending more money than what is currently on deposit in the linked savings account.

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26. As per claim 12, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA teaches wherein the bank providing the financial card and statement to the consumer. ABA does not explicitly teach wherein the stored credit is stored in a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b).

Orchard Bank teaches wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to link a savings account to a credit card and providing a statement and credit card because it allows a consumer to make financial transactions using a credit that is linked to a savings account and receive monthly statement showing the transactions.

27. Claims 7 and 8 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (see PTO-892, Ref. U) [Hereinafter ABA] in view of PSECU Capitol Card (see PTO-892, Ref. W) [Hereinafter PSECU].

28. As per claim 7 and 8, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b) permit the consumer to set a monthly minimum payment for repaying at least the first

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amount and wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment as a percentage of the funds owed.

PSECU teaches wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment for repaying at least the first amount and wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment as a percentage of the funds owed (see Ref W).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA and PSECU to allow the consumer to set the monthly minimum payment based on a dollar amount or a percentage of balance owed because it allows the consumer flexibility in payments and convenience.

(10) Response to Argument

IA Appellant argues on pages 9-14, that Appellants original disclosure has support for the limitations “a device for performing electronic transactions” and “an electronic transaction reflecting” found in claims 2 and 15. Appellant points to paragraphs 14-15, 22-23 and 33-34 of the published application for support as shown below:

[0014] Electronic card authorizations were introduced in the 1970s, allowing retailers to get approval for transactions 24 hours a day. And by the late 1970s, magnetic strips on the back of cards, along with electronic dial up terminals shortened the transaction approval process to only 1-2 minutes. Now card authorizations can be almost instantaneous, allowing even greater convenience for both the retailer and the customer.

[0015] Today, more than 84 million US households hold at least one credit card, with credit card spending levels reaching over \$1 trillion dollars each year. Consumers can find a credit card to meet virtually any financial need, special interest, or credit background, and credit cards are now accepted by millions of retailers, whether one shops with traditional merchants, by phone, mail, fax or online. With so many cards available offering so much shopping convenience, it's not hard to tell why credit cards continue to grow in popularity.

[0022] The general idea behind this patent application is to make available to a specific group of consumers a financial credit card that provides the services that existing debit and credit cards offer today; with the exception that instead of paying interests and fees to credit lenders, the consumer can opt to pay himself or herself for the use of his or her own funds. In other words, with this service, a consumer who has savings in a bank account (in this case a credit line) and elects this service, can make debit transaction against his or her own account and repay himself or herself for the use of the funds, plus finance charges (interests).

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[0023] The main advantage of this idea is that it solves the problem that millions of Americans have today as discussed in the "Problems Involved in the Prior Art" section above: it gives consumers the opportunity to increase their savings through the use of their own moneys, while taking advantage of the conveniences that financial cards provide. At the same time, this service will help slow down the lending expansion that is putting Americans in bigger debt every year.

[0033] Make transactions using the financial card with any of the millions of retailers that accept credit cards today.

[0034] Once the card is in use, every month the bank or agency lending the service sends a statement to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees.

Examiner does not see any relevance with the referenced paragraphs above and the claim limitations "a device for performing electronic transactions" and "an electronic transaction reflecting". Appellant argues that an electronic dial-up terminal is one possible device for performing an electronic transaction. Examiner agrees that card authorizations may have been done electronically via an electronic dial-up terminal back in the 1970's as disclosed, however it is not inherent that the current invention must be done electronically using any kind of electronic device. "Inherency...may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *In re Oelrich*, 666 F.2d 578,581 (CCPA 1981). Appellant has not recited any structure or system components involved in performing the method electronically in the original disclosure. Appellant argues on pages 10-13 the advantages of the use of credit cards. Examiner is not arguing the advantages or disadvantages of the use of credit cards. Examiner argues that Appellant has not disclosed in the original disclosure filed on April 9, 2004, the use of a computer or processor to perform any of the steps recited in claims 2 and 15 nor does Appellant have support for such a computer or processor in general. Paragraphs 14-15, 22-23 and 33-34 above do not disclose or support a computer or processor performing any steps like establishing a stored credit, setting parameters, causing a first amount to

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be debited from the stored credit or paying, by the consumer, of at least one of interest and late fees on the first amount as seen in claim 2 for example. Therefore, the limitations seen in claims 2 and 15, “a device for performing electronic transactions” and “an electronic transaction reflecting” are considered New Matter.

IB Next, Appellant argues on pages 14-16, that establishment of a savings account with a bank for use with the financial card of the invention, would inherently involve storing a credit on a computer associated with the bank. Examiner disagrees. In many parts of the world such as Pakistan or India or even parts of Africa, banking transactions are performed by human being in a physical manner with general ledger books (i.e. paper). Further, to read the claim broadly, a financial card could simply be a piece of paper with an account number written on it. Having this card with the account number on it would provide access to the consumer for the stored credit. Appellant argues that the prior art used against Appellant's claim “take it for granted” that the transactions performed are electronic transactions. Examiner disagrees. The prior art has computer hardware recited to perform certain steps of the Appellant's invention. The fact remains that the Appellant does not have proper disclosure or support for a computer or processor performing any steps like establishing a stored credit, setting parameters, causing a first amount to be debited from the stored credit or paying, by the consumer, of at least one of interest and late fees on the first amount as seen in claim 2.

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IIA Next, Appellant argues on pages 17-19, that a device for performing electronic transactions recites a particular device and therefore meets the requirements under 35 U.S.C. 101. Examiner disagrees. First, it is ambiguous whether the alleged “device for performing electronic transactions” is even doing anything in step (a) of claim 2. As the claim reads “in a system including a device for performing electronic transactions,...” it appears that the device can be used for doing something (intended use), but whether it is actually doing it or not is not clear. Appellant has not recited the positive use of any computer or processor for doing a substantive step of the method claim. As cited in *In re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008), “the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. See Flook, 437 U.S. at 590.” Step (a) of claim 2 recites “...establishing a stored credit...” This is considered an “insignificant extra-solution activity” because it is not considered the main innovative step of the method claim. The preceding argument holds true for claim 15 also.

IIIB On pages 20-30, Appellant argues that the cited references ABA, Bonalle and Ambrose in combination do not teach or disclose a consumer setting the parameters (i.e., including the payment of interest and late fees) for the repayment of amounts debited from the consumer's own saving (i.e. “stored credit”, “credit stored by a consumer”) in accordance with purchases made by the consumer.

Examiner disagrees. First, ABA teaches the limitation establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer

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(see pages 183-185). One skilled in the art would know that a stored credit on behalf of a consumer is simply a debit card linked to a savings or checking account. When a consumer makes a purchase using a debit card, the transaction amount is debited directly from the consumer's savings or checking account. The amount of funds in the savings or checking account is analogous to stored credit.

Next, ABA in view of Bonalle and further in view of Ambrose teaches the matter of setting repayment parameters like interest rate and time periods for payback (see Bonalle, paragraph 11 below).

[0011] In one embodiment of the present invention, a system and method facilitates the customization of a transaction card having a set interest rate by allowing the consumer 10 to choose when to substitute a promotional interest rate for the set interest rate. For example, the business can offer 0% for the first 3 months, then allow the consumer 10 to choose any other 3 months to implement the 0% rate. The selected rate would be effective at any desired time, and in one embodiment, during the next billing cycle after the selection is entered. While the temporary reduction of the interest rate is discussed in detail herein, one skilled in the art will appreciate that the system and method of the present invention may facilitate the implementation and customization of any of the other promotional examples discussed herein. Moreover, one skilled in the art will appreciate that any type of interest rate or finance charge arrangement may be contemplated by the present invention such as, for example, a constant interest rate, a varying interest rate, an interest rate that adjusts throughout different time periods, application of the interest rate to any portion of the charges or balance, interest rates that are due weekly, monthly, yearly or any other time period, interest rates based on other factors (e.g., membership status, economic indicators, etc) and/or the like.

Bonalle's invention allows a consumer to set a repayment parameter. Bonalle's invention allows a consumer to set an interest rate for a certain time period. This would read on the limitation a repayment parameter being set by a consumer. ABA discusses the traditional use of a debit card and how it is linked to a consumer's checking account or stored credit. When combined, ABA in view of Bonalle, would allow a consumer to set a repayment parameter when using a debit card to make a purchase. In other words, the combination of ABA in view of Bonalle would allow one to repay oneself for money borrowed from a stored credit or checking account. The motivation to combine the references would be that it encourages savings on the part of the consumer

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because the repayment is made back to the consumer's own checking account or stored credit. See *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1385 (2007).

It is noted that sections that Appellant is referring to and arguing on pages 25-26 relate to the use of credit cards and not debit cards. Examiner has not relied on these sections of the prior art for rejection of claims that Appellant is arguing. Examiner clearly states in the rejection of claim 2, step (a) that pages 183-185 are being referenced. One skilled in the art knows that a credit card does not function the same as a debit card. Therefore, on page 25 (2nd paragraph from the top), Appellant argues that ABA reference discloses the financial institution advancing credit...to a consumer does not apply and is not relied upon in rejection of the claim. Also, on page 26, Appellant argues that ABA teaches away from using a card drawing from the cardholder's personal funds. This argument is not accurate because ABA discusses a debit card on pages 183-185 which is clearly a card that draws from a cardholder's personal funds.

On pages 28-29, Appellant argues that Ambrose fails to teach establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer and the consumer setting parameters for repayment of amounts debited from the stored credit. On the contrary, Ambrose teaches the concept of repaying oneself for the use of one's own money. Ambrose teaches that funds taken from retirement plans like a 401K must be paid back into the 401K account. In other words, if a consumer has a 401K plan (stored credit), they may use funds from the 401K plan, however the

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money must be paid back with interest. The money plus interest goes back into the consumer's 401K account.

Appellant makes the argument that ABA in view of Bonalle and further in view of Ambrose fails to teach the limitation that a consumer sets the parameters for repayment. Examiner has clearly shown in Bonalle that a consumer can set their own interest rate. Assuming *aguardo*, it is clear that the parameters for repayment can either be set by the consumer or the financial institution who issued the card. One of ordinary skill in the art would have pursued the known potential possibilities (repayment parameter set by consumer) with a reasonable expectation of success.

In addition, the combination of old and well known features of credit cards and debit cards would have predictable results and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

IIIC. Again, it is noted that sections of the prior art that Appellant is referring to and arguing on pages 30-31 relate to the use of credit cards and not debit cards. Examiner has not relied on these sections of the prior art for rejection of claims that Appellant is arguing. One skilled in the art knows that a credit card does not function the same as a debit card. Examiner has specifically referenced pages 183-185 regarding debit cards for rejection of claims.

IIID. Appellant argues that consenting to when a particular interest rate is not the same as setting the interest rate. Examiner disagrees. Bonalle teaches that a

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consumer can **set a 0% rate for 3 months** (see below). This clearly reads on the limitation of setting an interest rate.

[0011] In one embodiment of the present invention, a system and method facilitates the customization of a transaction card having a set interest rate by allowing the consumer 10 to choose when to substitute a promotional interest rate for the set interest rate. For example, the business can offer 0% for the first 3 months, then allow the consumer 10 to choose any other 3 months to implement the 0% rate. The selected rate would be effective at any desired time, and in one embodiment, during the next billing cycle after the selection is entered. While the temporary reduction of the interest rate is discussed in detail herein, one skilled in the art will appreciate that the system and method of the present invention may facilitate the implementation and customization of any of the other promotional examples discussed herein. Moreover, one skilled in the art will appreciate that any type of interest rate or finance charge arrangement may be contemplated by the present invention such as, for example, a constant interest rate, a varying interest rate, an interest rate that adjusts throughout different time periods, application of the interest rate to any portion of the charges or balance, interest rates that are due weekly, monthly, yearly or any other time period, interest rates based on other factors (e.g., membership status, economic indicators, etc) and/or the like.

Ambrose teaches the concept of repaying oneself for the use of one's own money. Ambrose teaches that funds taken from retirement plans like a 401K must be paid back into the 401K account. In other words, if a consumer has a 401K plan (stored credit), they may use funds from the 401K plan, however the money must be paid back with interest. The money plus interest goes back into the consumer's 401K account. The combination of old and well known features of credit cards, debit cards and 401K accounts would have predicable results and one of ordinary skill in the art would have recognized that the results of the combination were predicable.

IV. See arguments presented in sections III.B, III.C and III.D above.

V. See arguments presented in sections III.B, III.C and III.D above.

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(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Shahid R Merchant/

Examiner, Art Unit 3692

Conferees:

/Alexander Kalinowski/

Supervisory Patent Examiner, Art Unit 3691

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Appeals Practice Specialist